

# **COMPLIANCE AUDIT REPORT**

**STATE OF MAINE  
WORKERS' COMPENSATION BOARD**



**Atlantic Mutual Insurance Company  
February 28, 2003**

**Monitoring, Audit & Enforcement (MAE) Division**

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## SUMMARY (continued)

- Of the thirty-six (36) lost time claims identified;
  - 23 were found to be compensated, only 21 were compensable
    - ✓ One (1) was a mandatory payment based on a late filed Notice of Controversy (WCB-9) and,
    - ✓ One (1) was a payment made on a claim that was not determined to be compensable.

Of the 21 claims that were determined to be compensable, both AWW and Rate were calculated correctly in only 10 claims.

The other claims were either not paid timely or calculated incorrectly. Two auditors from the Audit Division attempted to reconstruct the payment schemes on all claims and were very unsuccessful. Furthermore, when asked about the unidentifiable payment calculations, A.M. was unable themselves to determine where the calculations came from as the claims handler that handled those claims was no longer employed with them. It is notable however that the aggregate amount of miscalculations for all claims is an over payment of \$6,137.76.

Following is a discussion of the compliance tables on pages 11 through 13 of this report and of the steps taken by A.M. to rectify identified noncompliance issues.

- Form filing compliance ranged from 8.7 percent to 100.0 percent.
  - ◆ The highest percent of compliance (100 percent) was found in the filing of the WCB-8, Certificate of Discontinuance or Reduction of Compensation forms.
  - ◆ The second highest percent of compliance (89.4 percent) was found in the filing of WCB-4, Discontinuance or Modification of Compensation forms.
    - The WCB-4 form shown as “Not Filed” represents a claim where compensation had been discontinued, but no WCB-4 form had been filed. This Division requested that form on March 21, 2002, and imposed a response deadline of April 5, 2002. This form still has not been filed with the MWCB.
    - The WCB-4 form shown as “Filed Late” represents a claim where compensation had been discontinued, but no WCB-4 had been filed. This Division requested that form on March 21, 2002, and imposed a response deadline of April 5, 2002. The form was not filed until July 8, 2002.
  - ◆ Followed very closely (89 percent) by the filing of WCB-9, Notice of Controversy (NOC) forms.
    - The NOC shown as “Filed Late” represents a claim where the NOC was filed 251 days after the employer was notified of the incapacity. There is no penalty exposure for this form as a mandatory payment was made as a result of the late filed NOC.

# FORM FILING (Continued)

## E. Discontinuance or Modification (WCB-4)

		2001	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	17	89.4%
Filed Late		1	5.3%
Not Filed		1	5.3%
Total		19	100.0%

## F. Discontinuance or Reduction Of Compensation (WCB-8)

		2001	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	1	100.0%
Not Filed		0	0.0%
Total		1	100.0%

## G. Notice of Controversy (WCB-9)

		2001	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	8	89.0%
Filed Late		1	11.0%
Total		9	100.0%

## H. Statement of Compensation Paid (WCB-11)

		2001	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	6	33.3%
Filed Late		10	55.6%
Not Filed		2	11.1%
Total		18	100.0%